

# Exhibit L

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2006

Commission File Number **0-22999**

**Tarragon Corporation**

(Exact name of registrant as specified in its charter)

Nevada	94-2432628
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
423 West 55 <sup>th</sup> Street, 12 <sup>th</sup> Floor, New York, NY	10019
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (212) 949-5000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  
 No

Common Stock, \$.01 par value	28,490,203
(Class)	(Outstanding at November 1, 2006)

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There have been no material changes in our risk factors as previously disclosed in our Form 10-K for the fiscal year ended December 31, 2005 in response to Item 1A. of Part 1 to our Form 10-K.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

On September 30, 2006, Tarragon issued 616,667 shares of 10% cumulative preferred stock, liquidation value \$12.00, and 668,096 shares of common stock, to The Rohdie Family LLC (the "Rohdie LLC") in connection with the exercise by the Rohdie LLC of its rights to convert its Class A Member Units and Class B Member Units of Tarragon Development Company, LLC ("TDC"), pursuant to the terms of the Limited Liability Company Agreement of TDC dated February 2000. The shares of common stock and shares of preferred stock issued to the Rohdie LLC are exempt from the registration requirements of the Securities Act of 1933 pursuant to Section 4(2) thereof. The managing member of the Rohdie LLC is Robert C. Rohdie, President and Chief Executive Officer of Tarragon Development Corporation, a wholly owned subsidiary of Tarragon, and a member of Tarragon's Board of Directors since February 2000.

*Share Repurchase Program.* On March 6, 2006, our board of directors authorized the repurchase of up to an additional 1,000,000 shares of our common stock pursuant to our existing share repurchase program. With this additional authority, our board has approved the repurchase of an aggregate of up to 2,500,000 shares under the program implemented in September 2001. The share repurchase program has no expiration date. Through September 30, 2006, we had repurchased 2,427,712 shares of our common stock pursuant to this repurchase program. The following table presents shares repurchased during the three months ended September 30, 2006.

Period	Total Number of Shares Repurchased	Weighted Average Price Paid per Share	Total Number of Shares Repurchased as Part of Publicly Announced Program	Maximum Number of Shares that May Yet Be Repurchased Under the Program
July 1 thru July 31, 2006	—	—	—	—
August 1 thru August 31, 2006	53,259	10.47	53,259	
September 1 thru September 30, 2006	63,600	10.88	63,600	
<b>Total</b>	<b>116,859</b>	<b>\$ 10.69</b>	<b>116,859</b>	<b>72,288</b>

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.